

TOWN OF MANSFIELD

FINANCE COMMITTEE MEETING

MINUTES OF JUNE 9, 2008

Present: Committee members - Carl Schaefer (Chair), Bruce Clouette, Alison Blair

Council members – Gene Nesbitt

Staff members - Matt Hart, Jeff Smith, Cherie Trahan

Guests – none in attendance

The meeting was called to order at 6:05 p.m.

We began with the approval of the minutes of the May 12, 2008 Finance Committee meeting.

The next item discussed was the Dorothy Goodwin bequest of \$10,000. Since there were no stipulations on how the money was to be spent, Carl Schaefer asked if anyone had any suggestions. It was agreed that no matter how the money was spent that Dorothy Goodwin's name should be attached. Matt Hart will ask the Board of Education and the Superintendent if they have any suggestions.

Cherie Trahan reviewed the status of the current year (07/08) budget. At this time, we are anticipating that revenues will fall short of the budget by approximately \$320,000. This is primarily a shortfall in interest income, building permits and conveyance taxes. Interest rates have dropped from 5.6% in July, 2007 to 2.38% as of today. Primarily due to increases in the cost of gasoline, diesel fuel and labor attorney

fees, expenditures could exceed budget by approximately \$50,000. This means that we will tap into our Fund Balance for fiscal year 07/08. Any expenditure amount over the adopted budget would require that the Council approve an additional appropriation. The primary concern, however, is our revenue shortfall and we are therefore revisiting our revenue estimates for fiscal year 2008/09 and could potentially reduce our interest income estimate by as much as \$250,000. In order to compensate for this, budget reductions will be discussed.

Jeff Smith informed the Committee that the engine in Rescue 507 has a cracked cylinder and needs to be replaced. Dave Dagon is looking into why, after only approximately 125,000 miles, would this happen. We have funds in a capital account that can be used for this repair. Jeff reminded us that we need to be aware that unexpected things like this can occur and we need to take that into consideration when budgeting for contingency.

Discussion on the budget referendum recommended the date, time and location.

Discussion on the mill rate for 2008/09 followed. Due to the interest rate decline, Matt Hart has asked the department heads to look at ways they can reduce their budgets. He has asked for list of possible reductions, including any service impacts. Jeff reviewed ways in which we are trying to hold energy costs down. We have purchased 5 years of electricity at a fixed commodity cost. We have also purchased approximately 70% of our anticipated #2 fuel oil and diesel. It is critical that we reduce expenditures to improve our fund balance. Carl Schaefer would like the department heads to review carefully what the consequences of their reductions are. He also noted that next year our share of the Region 19 budget increase is expected to go down substantially.

Matt Hart informed the committee that he is in the process of developing an FOIA Policy. It is important to keep in mind that there is a cost associated with complying with FOIA requests so staff needs to be aware of what our legal requirements are. Matt will have it reviewed by an attorney.

Carl Schaefer would like to discuss tax assistance at a future meeting. What assistance is available and how do we make people aware of their options? A presentation will be

made by staff to the Town Council on what we have in place now and what can we be doing.

Helen Koehn sent in a request for a future agenda item that we discuss how we include sustainability criteria along with lowest price purchases. Perhaps it is a simple statement in the policy to encourage staff to look at reasonable environmental impact. This item will be included on a future agenda.

Gene Nesbitt discussed how we contract for professional services and questioned whether the Council should oversee this. Jeff Smith discussed the RFP (Request for Proposal) process and that it is, in fact, done reflecting the will of the Council. Another concern is that management would not be able to react to opportunities in a timely fashion. Matt Hart reviewed our form of government (Council-Manager) and that this would be overstepping policy decisions and into administrative functions.

Lastly, Cherie distributed a listing of the UCONN water/sewer accounts as a follow up to the discussion at the April 14, 2008 meeting.

Motions:

Motion was made by Bruce Clouette and seconded by Alison Blair to accept the May 12, 2008 minutes. Motion so passed.

Motion was made by Bruce Clouette and seconded by Alison Blair to adjourn. Motion passed.

The meeting adjourned at 7:18 p.m.

Respectfully submitted,

Cherie Trahan

Controller/Treasurer